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UNCLAS SECTION 01 OF 02 KATHMANDU 000804

SIPDIS

SENSITIVE

STATE FOR SA/INS AND DS/OP/NEA LONDON FOR POL - RIEDEL

E.O. 12958: N/A

TAGS: PTER ASEC PGOV CASC NP

SUBJECT: MORE TRAFFIC MOVING, BUSINESSES OPEN IN STRIKE'S

SECOND DAY

REF: A. (A) KATHMANDU 795 **1**B. (B) KATHMANDU 753

SUMMARY _____

11. (SBU) Summary: More traffic was moving and shops open on the second day of the general strike called by Maoist insurgents April 23-27. One mini-bus was torched inside Kathmandu after a crowd attacked it; no injuries were In districts outside Kathmandu Maoists hijacked four ambulances; set fire to the country home of the Prime Minister, and killed two Armed Police Force policemen in an ambush April 23. The Government of Nepal announced rewards for information leading to the capture of the top Maoist leadership. A core EAC met at COB April 24 to assess the situation and determine actions for the following day. Th international school, which most Mission dependent children attend, as well as the French and British schools, will remain closed April 25. Absent any violent incidents in the intervening hours, we expect observation of the strike to fall even more steeply on the third day, as people--especially at the lower end of the economic scale -- begin to feel the pinch. End summary.

VOLUME OF TRAFFIC, BUSINESS SOMEWHAT HIGHER

(U) Considerably more shops--an estimated 35 percent of the total--were open and vehicles moving in Kathmandu on the second day of the Maoists' strike, or "bandh," called for April 23-27. Most drivers of non-official vehicles, including public transportation such as buses and taxis, followed Government of Nepal (GON) advice and taped over or otherwise obscured their license plates to avoid retribution.

At COB April 24 the RSO had received reports of only two violent incidents within the city limits: the bombing of a small shop and the torching (after the passengers alighted) of a mini-bus by an angry crowd. No injuries were reported in either incident.

FURTHER INCIDENTS: DAY ONE

(U) In addition to the incidents reported Ref A, on the first day of the strike Maoists set fire to the country home of Prime Minister Sher Bahadur Deuba in Dadeldhura District in the far-western region of the country. Deuba and his family were in Kathmandu at the time of the incident, and no injuries were reported. (Note: The incident follows the April 20 bombing of the country home of Finance Minister Ram Sharan Mahat in Nuwakot District. Mahat and his family were in Kathmandu at the time. End note.) Maoists also reportedly hijacked four ambulances that had been returning from Kathmandu via a major highway near the Chitwan-Dhading border April 23. Press reports said the police had successfully reclaimed the ambulances, but the local director of the Nepal Red Cross Society, which owned three of the four vehicles, said his organization had not yet recovered them. In a separate incident about noon the same day, an Armed Police Force (APF) contingent providing a security escort for a passenger bus came under attack in Majhintar, Dhading District. Two APF policemen were killed.

WANTED: DEAD OR ALIVE

 $\underline{\P}4$. (U) In an unprecedented move, on April 23 the GON announced cash rewards equivalent to about USD 65,000 for individuals that hand over to the security forces either of the Maoists' top three leaders: Prachanda, Baburam top three leaders: Prachanda, Baburam Bhattarai, and Mohan Vaidya. Those providing information leading to the arrest of those leaders will receive half of the reward. Individuals handing over certain members of the second-tier leadership, including former negotiator Krishna Bahadur Mahara, will net a reward equivalent to USD 45,000. Those turning in Central Committee members earn a reward equivalent to USD 32,000. Lesser amounts will be given to individuals who turn over certain weapons believed to have been stolen from the security forces by the Maoists. The announcement, issued by Police Headquarters and featured widely in the local press, noted that the wanted individuals may be turned over "dead or alive."

EMBASSY ACTIONS

15. (SBU) A core EAC met at COB April 24 to assess the situation and determine actions for day three of the strike. It was decided, as in the previous two days, that the Embassy will operate under normal working hours, although FSN shuttles will depart one hour earlier in the late afternoon. The management of the international school, which most Mission dependent children attend, as well as that of the French and British schools, have decided their institutions will remain closed on April 25.

COMMENT

16. (SBU) Adherence to the bandh, at least in the city, appears to be gradually eroding. Absent any violent incidents in the intervening hours, we expect observation of the strike to fall even more steeply on the third day, as people—especially at the lower end of the economic scale—begin to feel the pinch. The rewards announced represent a substantial sum of money by virtually any Nepali's standard, and are sure to catch the attention of the general public. The GON has only recently begun to publish the names and photographs of its "most wanted"—the top Maoist leadership—in the local press. Dissemination of the photographs have reportedly led to at least two arrests (Ref B) already; whether the stepped-up publicity and the rewards announcement result in further arrests remains to be seen. MALINOWSKI